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CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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COUNTRY	China	REPORT	
SUBJECT	Administration and Production Facilities at Dal'dock, Dairen	DATE DISTR.	28 October 1953
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THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.
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1. The Dal'dock shipyards and dry docks at Dairen were rebuilt by the Soviets after World War II, and until 1951 were operated and administered by them under the supervision of the Ministry of Merchant Marine (Ministerstvo Morskogo Flotta - MMF). [] the shipyards were incorporated as a company owned equally by the MMF and the Chinese Communist Government, the latter paying nothing for its share. The general manager and the assistant manager were to be alternately Soviet and Chinese, changing every three years, starting with a Soviet general manager and a Chinese assistant. SIPYAGIN has been the general manager [] He holds the rank of Major General (tech.) (sic) in the Merchant Marine. VLASSOV, who comes from Leningrad, is the chief accountant; he lives in Dairen with his family. 50X1-HUM
2. The shipyards build tugboats, launches and barges and repair merchant vessels. They serve only the Merchant Marine and are not concerned with either the Soviet or the Chinese Navy. In the two dry docks, ships are accepted for all repairs, from small jobs taking only a few days to general overhauls lasting a year or more. The largest ship repaired was the 10,000-ton SOVNEPHT [] Another large vessel repaired was the refrigerator ship KOMSOMOLETS-ARCTICS. Usually there are many ships waiting for a space in the dry docks or other repair facilities, and major repairs must sometimes be postponed for more than a year. Occasionally ships are sent under subcontract to the Soviet naval shipyard at Port Arthur, which is said to be partly idle. 50X1-HUM
3. There are 24 workshops at Dal'dock for the repair of ships' engines and equipment. These include the following:
 - a. Foundry for steel castings. One electric furnace with a capacity of three tons is used mainly for the casting of seamless anchor chains. The yearly output of these chains is about 1,000 tons and is scheduled to reach 1,500 tons. The sand for the casting is brought 60 miles to Dairen.

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- b. Iron foundry. One large furnace with a capacity of 10 tons is used only occasionally for casting of exceptionally large pieces. One furnace has a capacity of four to five tons.
- c. Foundry for nonferrous metals. There are several small furnaces for the casting of copper, brass, and bronze parts.
- 4. For special jobs the shipyards use the Dairen harbor floating steam crane which has a capacity of 100 tons. In addition the yards have their own floating steam crane capable of lifting 25 tons. Inside the shipyards there are three electric revolving hammerhead cranes traveling on rails. These cranes are capable of lifting a weight of three tons when applied to the extremity of the hammerhead lifting arm, and of six tons when applied to the middle of the lifting arm.
- 5. There is a railroad siding inside the shipyards which runs near the water and parallel to it.
- 6. Engines, machinery, spare parts, tools, electrical parts and equipment are imported from the Soviet Union and are paid for c.i.f. Lupin, Manchuria. If any part or piece of machinery is missing or breaks down, an urgent cable is sent to the Soviet Union and the required article is sent promptly. Cement, coal and pig iron are supplied from Chinese sources.
- 7. Before the Korean war most of the raw materials and spare parts sent from the Soviet Union arrived by ship via Vladivostok, the journey from Vladivostok to Dairen taking about five days. Now the journey takes about 12 days due to the detour the ships make, and as a result most of the freight is sent by rail.
- 8. The yards construct barges of 100- and 500-ton capacity. The 100-ton type is flat-bottomed, all metal and seagoing. Most are tanker barges with two outlets on the top which can be screwed down tightly to make the barge seaworthy in any weather. The yards turn out between 70 and 120 barges of this type per year. About 15 of the 500-ton type are built per year. These are also all metal. The barges are built flat-bottomed as they are intended for service in the Far Eastern Soviet Island groups, many of which have no harbor facilities. The flat barges can be simply pushed up on the sandy beaches.
- 9. The yards build two types of tugs. Between 1948 and 1951 small tugs with 150 hp six-cylinder diesel tank engines were built. Engines were supplied by the Soviet Union and were fitted with reduction gear to reduce the high speed tank transmission. These tugboats weigh 35 tons, and they were hoisted to the deck of cargo vessels for transport to the Soviet Union. Five vessels of this type were sold to the coastal police in 1951. They were to be used as police launches and not as tugboats.
- 10. Another type of tug is powered with a 1,200 hp engine. Production of this type was started during the summer of 1952, but by February 1953 only one was nearing completion.
- 11. All barges and tugs, with the exception of the five police launches, are destined for export to the Soviet Union. They are paid for in clearing accounts at the rate of 6,800 yuan to 1 ruble. All export prices are made out f.o.b. Dairen harbor. Each 100-ton tanker barge is debited to the Soviet account at 64,000 to 68,000 rubles. For each ton of steel plate the shipyard is charged 320 to 405 rubles according to quality.

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12. Electric power in the shipyards was completely interrupted when the Yalu power station was destroyed by allied bombing attacks in July 1952. There was no emergency power supply, and for a time there was not even current to pump the water from the drydocks. A number of auxiliary generating stations in Dairen were put into operation, and although the Dal'dock shipyards enjoy absolute priority over all other enterprises, the power situation is still very precarious. There is a plan to make the shipyards independent of outside power supplies by erecting a power station inside the plant area.¹
13. Until July 1952 only 400 to 500 workers of the 7,000 employed by Dal'dock worked on jobs in three shifts, and 300 to 400 in two shifts. Since July 1952 the 4,000 to 5,000 employees all work in three shifts. The shipyards employ about 200 local Soviets and 110 "assigned workers."² The rest of the employees are Chinese.

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1. Comment. It is unlikely that this plan will be put into effect in the near future.

2. Comment. The workers are probably Soviet technicians.

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